



VOL. II NO. 367

FIVE JEWS KILLED ON JAFFA-TEL-AVIV BORDERLAND

Jerusalem, Dec. 9.—Flames and gunfire swept the bloody borderland between the all Jewish city of Tel-Aviv and all Arab Jaffa today, claiming the lives of five more Jews and resulting in injuries to five others.

Fire which broke out in a row of Arab houses and shops added to the scene of terror, sending a long column of smoke and flames into the sky.

AUSTRALIA SLASHES US IMPORTS

Canberra, Dec. 8.—Australia today slashed imports of American cars, petrol, tobacco and newsprint to ease the dollar position.

Mr Joseph Chifley, the Australian Premier, announced these cuts:

Imports of motor vehicle chassis limited to £90,000,000 for the 18 months ending June 30, 1947.

Only £3,000,000 allowed for imports before June 30, 1948.

Petrol.—A reduction of a further 10 per cent to be made.

Tobacco.—A 50-per cent reduction in the 1946-1949 period will be made.

Newsprint.—Fifty-one per cent cut in consumption compared with previous year.

Films.—Retention in Australia of a proportion of film companies' remittances to be made.

The total Australian imports from the United States and Canada were to be about £90,000,000 in 1947-1948, Mr Chifley announced, compared with actual imports of just over £60,000,000 in 1946-1947.

The measures taken by the Government would "reduce the import rate in 1948 to one which will be practicable in the light of the assessment of the dollar situation at present available."

Mr Reginald Pollard, the Minister of Commerce, would be authorised within the framework of the existing import controls to divert a greater proportion of Australian-produced goods to the dollar market.—Reuter.

Reds Planning To Attack Tsingtao

Tsingtao, Dec. 8.—The Nationalist Garrison today claimed that a Communist military conference has decided to attack Tsingtao, where Admiral Charles Cooke's Western Pacific Fleet is based.

The Garrison said that government troops are prepared to rout any Red offensive in this area. The nearest Red unit outside Tsingtao is located at Kinlochsen, 30 miles west of Tsingtao.—United Press.

EDITORIAL

British Film Industry

THAT British films have won for themselves, on merit, a finer appreciation among overseas audiences, is further evidenced by the new arrangement made between Mr. J. Arthur Rank and the big United States film circuits whereby British films produced by the Rank organisation in future will be shown on the five major American film circuits, at the same terms, and on the same terms, as American movies are shown. Heretofore important recognition of the advances made by British films since their pre-war doldrums; additionally (and it is a matter of moment) this new agreement will earn valuable dollars for the home country. It can be said that England seriously started to produce films 33 years ago, and during that time the industry has passed through a long age of ups and downs; an era of clean-cut obstacles, apparently defeat, and a succession of false hopes. Now, by the quality of its films, and the strength and flexibility of a newly-organised industry, Britain has more than restored its reputation as a film-making power, fully able to compete in most respects with Hollywood and other international producers. Paradoxically, although many studios were regulated, and technicians began to disappear into the armed forces, World War II did as much towards the impressive development of the British film industry as any other factor. While the output of films

was reduced to about a third, the quality rose beyond all expectations. Under the stress of the war the home country achieved an integrity in film production and faith in the common roots of English life which previous movie-makers had lacked. Skillfully too, British producers capitalised on their knowledge of the documentary film (a phase of screen entertainment in which they have always remained pre-eminent). From this knowledge and experience blossomed pictures such as "In Which We Serve," "The Way Ahead," "School for Secrets," all of which received world-wide acclaim. The Egyptian Senate approved unanimously tonight a resolution calling on the Government "to co-operate with other Arab and foreign governments opposing the partition to prevent the execution of the United Nations' decision by all possible means."

The resolution expressed the Senate's resentment at the "unjust decision by the United Nations General Assembly dividing Palestine into two states contrary to the most sacred rites of the Palestinian people and in contradiction of the United Nations Charter."—Reuter.

1,000-MILE HITCH-HIKE

London, Dec. 8.—One of the husbands trying to bring their Soviet-born wives to Britain is making a 1,000-mile hitch-hike of England, collecting signatures to convince the Soviet Foreign Minister, M. Vyacheslav Molotov, that opinion of the cause in nationwide and not confined to political leaders in London. John Bolton, of Falkland Road, Hornsey, North London, has left London by lorry for Birmingham. He hopes to cover the Midlands, Northern England and South Wales, staying at hostels to keep expenses for his fortnight's tour to the maximum of £10.

The husbands have prepared a leaflet for signature and dispatch to the Soviet Foreign Minister at the Soviet Embassy. Five thousand copies of the leaflet have already been signed and posted. Bolton, in his tour, is taking 3,000 of these leaflets with him.—Reuter.

The Hongkong Telegraph

TUESDAY, DECEMBER 9, 1947.

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SCHUMAN'S ORDERS TO FRENCH STRIKERS

Return To Work By Wednesday: Forfeit Pay During Walk-Out

Paris, Dec. 9.—Premier Robert Schuman's government demanded tonight that French strikers return to work by Wednesday and told them they would receive no pay for the days lost during the walkouts.

The Cabinet offered, however, to pay a cost of living premium of US\$13 monthly retroactive to November 24 for those workers back at their benches by Wednesday, and said it would not attempt to prosecute strikers under terms of the new stringent strike control law.

The government handed its terms to the Communist-dominated General Confederation of Labour,

STIRRING SIGHT

Chatham, Kent, Dec. 8.—Three senior naval officers—Admiral Sir Harold Burrough, Commander-in-Chief, The Nore, Rear-Admiral B. C. B. Brooke, Commodore of Chatham Barracks, and Captain E. N. R. Fletcher, in charge of the Stores Section—here today stirred 560 pounds of mixture for Christmas puddings to be eaten by 1,600 naval ratings on Christmas Day.

The three officers used Carley float paddles to do the mixing and into the mixture Sir Harold poured 12½ pints of rum and scattered 160 silver three penny pieces.—Reuter.

A battalion of British infantry is at present in "buffer" position on the Jaffa-Tel-Aviv border to prevent any large-scale flareup between Jews and Arabs.—Reuter.

REPORT DOUBTED

London, Dec. 8.—Jewish Agency officials in London were frankly sceptical today of the press reports that their colleagues in Palestine had approached the British Army with the offer of military bases to Britain on condition that the Jewish state was to become part of the British Empire.

"We have heard nothing of such offer and we think it extremely unlikely," a spokesman said.

"Such step could only be taken after consultations of the highest authorities of the Zionist movement, who have never considered anything of the kind,"—Reuter.

MUFTI TO MEET FAROUK

Cairo, Dec. 8.—Haj Amin El Husseini, Mufti of Jerusalem and exiled leader of Palestine's Arabs, is to be received in audience by King Farouk during his present visit to Cairo, it was understood here to-night.

As soon as the present session of the Arab League discussing the Palestine partition here is ended, the Mufti will return to Lebanon where, according to Cairo reports, the "Palestine liberation headquarters" have been set up.

The Arab League Council session was described by qualified observers as the "most vital turning point in the history of the modern Arab world."

Its theme, they said, was "action not words."

The elaborate security measures at this session have not been applied to previous meetings of the League and were seen as underlining the grave nature of the matters being discussed and the decisions to be taken.

The talks are expected to centre on the ways and means of carrying out the decision to "protect" Palestine taken at earlier sessions. It is not expected that the result of the discussions will be made public, a statement will probably be made emphasising the unity of all members and their determination to oppose the partition of Palestine.

The Egyptian Senate approved unanimously tonight a resolution calling on the Government "to co-operate with other Arab and foreign governments opposing the partition to prevent the execution of the United Nations' decision by all possible means."

The resolution expressed the Senate's resentment at the "unjust decision by the United Nations General Assembly dividing Palestine into two states contrary to the most sacred rites of the Palestinian people and in contradiction of the United Nations Charter."—Reuter.

Ready To Administer Aid To China Plan

Washington, Dec. 8.—As China's chances of getting US\$60,000,000 interim aid improved in Congress, administration officials told the United Press that they had a plan prepared for administering this aid if Congress finally approved it.

Although caught completely unprepared by the surprisingly strong Congressional sentiment favouring Interim aid for China together with the emergency European relief plan, the administration naturally hastened to draft a blueprint for the handling of such aid if it materialised.

While refusing to disclose details of the plan, sources said it envisaged setting up credits in this country against which the Chinese would draw for the purchase of an approved list of reconstruction items, rather than granting cash loans directly to China.

The Chinese would be permitted to submit lists of items they wished under this credit and on the basis of these, so far refused requests to the Export-Import Bank. It was expected they would lay emphasis on reconstruction equipment for harbours, railways and the like.

NOT TO STOP INFLATION

Officials here said there was no question of this US\$20,000,000 per month or any part of it being used in a direct attempt to stabilise the Chinese currency since the amount available was too small to do any good along that line.

While it is recognised that Congress, if the Senate eventually concurs in the House sentiment favouring interim aid for China, will attach some restrictions to the use of funds, it is hoped in administration quarters that the limitations will not be too severe.

Officials explained that the greatest difficulty in administering post-UNRRA relief in China had come from the many strings attached to appropriation. While some administration sources believe the best possible use of interim aid funds would be to purchase ammunition and other military supplies for Chiang Kai-shek's beligerent forces, they fear this would meet too much popular resistance in this country.

CHIANG'S BLUNDER

Feeling that the Chinese military position will continue to deteriorate as long as the Central Government has its crack troops "dying on the vine" in Manchuria for lack of military supplies. It is felt in informed quarters here that Chiang Kai-shek committed a great strategic blunder in sending all the best forces up to Manchuria without the possibility of supplying them. It is pointed out that he is thus shattering the morale of the only dependable fighting force he had.

Administration officials envisage no increase in the number of American military mission members now in Nanking working with the Chinese General Staff. The United States Mission now consists of approximately 750 officers and men, plus certain communications personnel and graves registration units attached to the Mission merely as a matter of administrative simplification.

With the House of Representatives apparently determined to include US\$60,000,000 for China in the Interim aid bill, final decisions will have to come in the conference between the Senate and House to iron out their differences.

CASUAL CONSIDERATION

Administration quarters feel that the Nationalists closed the gap and have thrown a cordon around the fleeing Communist troops.

Liu Po-cheng himself was believed to be still east of the railway directing operations somewhere along the Lien-tzu-Hankow highway, south-east of Liulin.

Frontline dispatches indicated that the Nationalist Military Command is

Reduction Of Forces

War Office Explains Shinwell Statement

London, Dec. 8.—The War Office stated tonight that in his Bolton speech, the Minister of War, Mr. Emanuel Shinwell, is reported as saying that the strength of the forces would be reduced to 700,000 by next March.

This figure was given in answer to a question on the run down of the services beyond the 937,000 already announced in March, 1948.

It was intended as an illustration of the rate of release during the financial year of 1948-1949 and not as an official announcement of the actual planned strength.

Mr Shinwell had further referred to the plans for co-ordinating certain common services.

As he himself indicated, this matter is under active consideration by the Ministers concerned.

DEMOBBLING SPEED-UP

The Minister of War, speaking at Bolton last night, said that the Government hoped that the armed forces would be reduced to about 700,000 by next March.

He was replying to a question by a Royal Air Force aircraftman in the audience.

He said that demobilisation was being speeded up as rapidly as possible as the Government could do so. It was contemplated that by 1949, in spite of the National Service Act with the intake of young men, there would be only 300,000 men in the army.

The whole question of the coordination of the three services was being actively considered, but he did not wish to go into any further details until the White Paper had been issued.

A spokesman for the Paris Transport System said the subway and bus strike had been called off by the union because it was "a failure." Headquarters of the CGT officials which called the strike confirmed that it had been "annulled," but declined to give the reason.—Associated Press.

The last Government estimate of the strength of the armed forces next March was given by Viscount Hall, First Lord of the Admiralty in the House of Lords on October 29. He said that it was hoped that it would then have reached: Royal Navy—147,000; Army—627,000; Royal Air Force—263,000; a total of 937,000.—Reuter.

Chinese Reds Escaping From Trap

Shanghai, Dec. 9.—Communist General Liu Po-cheng's raiders, in an effort to liquidate Liu Po-cheng's raiders before they can succeed in raiding Western Hupeh.

It was understood that aerial activities were greatly reduced by the Nationalists due to the unfavourable flying weather.

The National Defence Minister, General Pai Chung-hsi, personally

in command of the Central China front, will return to Hankow.

Pro-Government reports claimed that the government troops are still holding out at Liulin, 70 miles north of Tsinling. They admitted that the Communists for a time had penetrated the eastern and western city gates, but were repulsed with heavy losses.—United Press.

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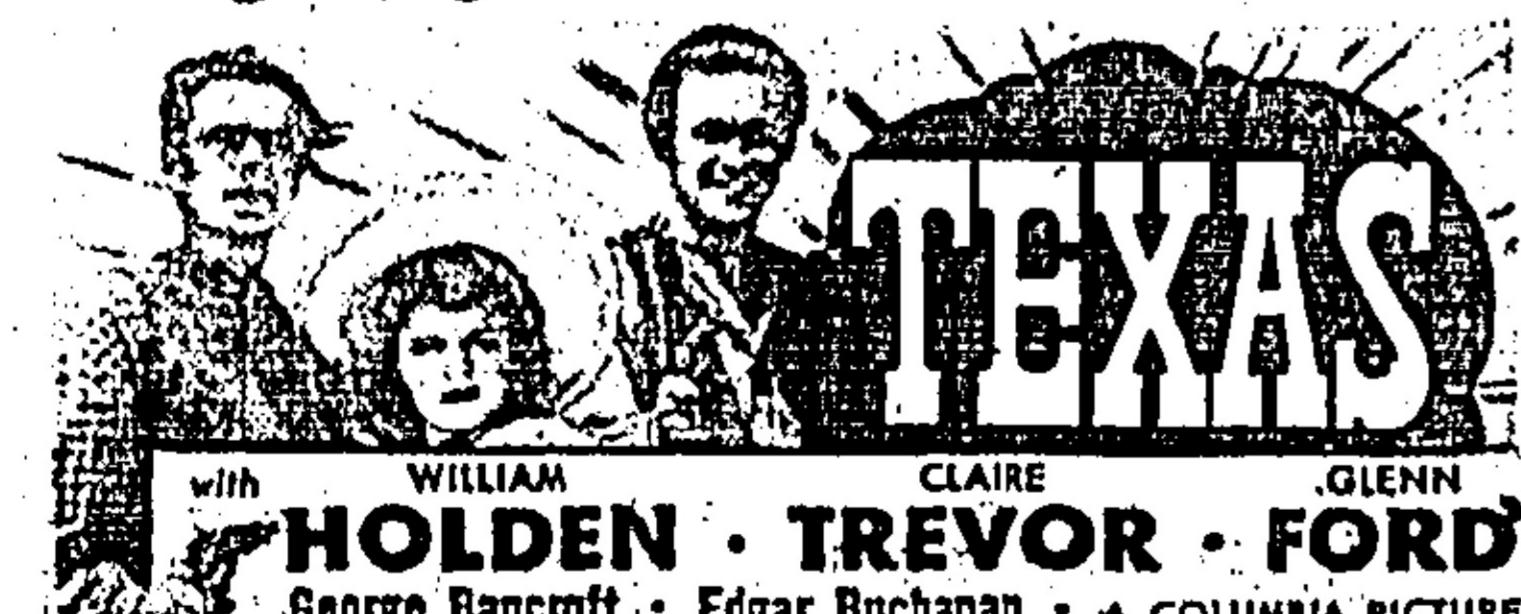
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ADDED ATTRACTION
ROYAL WEDDING OF
H.R.H. PRINCESS ELIZABETH
And H.R.H. DUKE OF EDINBURGH**Godfather Philip**

Princess Elizabeth, too busy with her wedding preparations, had to cancel her visit with Lieutenant Mountbatten to Marham-le-Hatch, Kent, on November 19, where he was godfather to the son of Lord and Lady Brabourne.

Here is Lieutenant Mountbatten with Lady Brabourne and the baby, who was christened Norton Louis Philip by the Archbishop of Canterbury, outside the church. After the ceremony Lieut. Mountbatten motored back to St James' Palace. He and the Princess were married two days later in Westminster Abbey.

Labour point of view

ERNEST THURTLE, M.P.

HOW swift and sudden was the Dalton fall! Nothing more dramatic has happened within my Parliamentary memory.

A lapse of discretion born of good nature, and completely devoid of any unworthy motive, and the Chancellor had to pay the inevitable penalty of the loss of his exalted office.

There is immense sympathy for the fallen Minister in the Labour ranks, but no feeling that his lapse should have ended otherwise.

For it is recognised that the discretion of the holder of his particular office must be beyond even the breath of suspicion.

* * *

MR. DALTON's going will leave a wide gap on the Treasury Bench.

He had established himself as one of the big men of the Government, and supporters and opponents alike could not help recognising his outstanding intellectual quality and his powers of exposition and debate.

There is speculation as to whether his present fall from office means an interruption of his political career or the end of it.

Labour will hope that it is an interruption only, for his lapse was a venial one, and men of his gifts are not to be found in excessive numbers.

* * *

SOME people are questioning the purpose of Mr Dalton's Budget, so fatal for himself.

Already assured of a substantial subsidy next spring, he was not in need of new revenue.

The Chancellor's real object, I believe, was to shock the country into a greater awareness of the economic breakers ahead.

It is common ground that hitherto, in spite of many warnings, large numbers have refused to believe in the reality of the crisis.

The Budget is an attempt to back up Sir Stafford Cripps's efforts to convert these unbelievers.

Will the new imposts succeed in this?

I doubt it. On the whole they are not sufficiently dramatic and spectacular to make the nation sit up with a jerk.

For a treatment of stimulation by shock, a higher voltage was necessary.

* * *

PASSAGE of the second reading of the Bill to curtail the Lords' veto leaves open the question whether or not the Upper House will make a fight against this measure.

We shall probably not know this for some weeks, though the Government is wasting no time in getting the proposal through the Commons.

The debate was not as exciting and passionate as might have been expected.

Apart from the question of the necessity and timeliness of the measure, there was no doubt that from the democratic standpoint the Government spokesmen made an effective case for it, freely availing themselves of old Winstonian ammunition for this purpose.

BY THE WAY
by Beachcomber

HOW consoling it is to read that "the earth's crust is still cooling." What bliss to know that in these vile times somebody has his eye on the earth's crust.

Noisome likely to quarrel with such a pronouncement, although people still quarrel about very odd things—in the case of the man who got up at a banquet and walked out because the chairman said that the Gulf Stream was an infernal nuisance.

Again, was there not an indignant woman who threw a siphon of soda at Nansen because he spoke disrespectfully of the Equator?

Yrs truly,
Mimsie Slopercorner.**Slower than sound**

I KNOW of no more courageous protest against speed for speed's sake than the founding of a coursing club in Maclesfield. Every week an electric snail chases (if I may be allowed the word) a rotten cheese.

Mimzie on her dignity

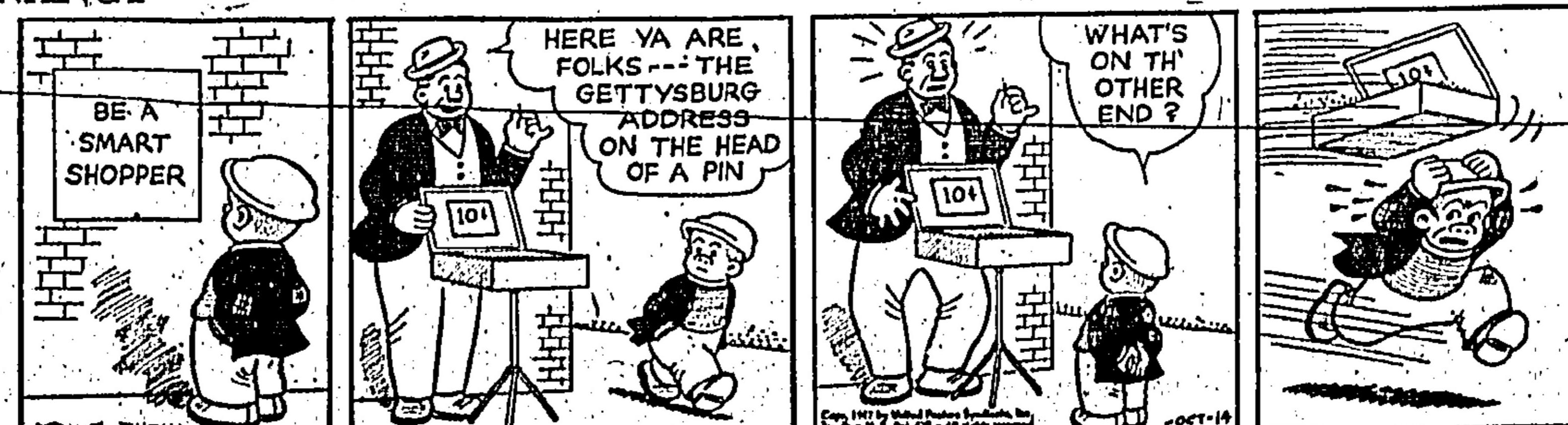
DEAR Miss Slopercorner.—When may we of Sopping Overcote have the pleasure of seeing you again? I suppose you would be too busy to be

When there's **bif**
I needn't use my fist!

bif
INSECT SPRAY WITH DDT

SURE KILL
SOLE AGENTS NAN KANG CO. UNION BLOCK H.

NANCY Sluggo Comes to the Point



DOCUMENTS REMOVED FROM BRITAIN'S ROME EMBASSY

London, Dec. 8.—An Italian servant removed documents from the British Embassy and handed them over to the Italian authorities over a considerable period before the war, Mr Hector McNeil, Minister of State, disclosed in the House of Commons today.

He was describing as "inaccurate" the allegations of Dr Kurt Von Schuschnigg, Chancellor of Austria when Hitler marched in, that Italy had access to the secret files of the British Foreign Office before the war. All the allegations were made in the book "Austrian Requiem," written by Dr Schuschnigg, who is now in the United States.

NEW CURRENCY FOR MERGED GERMAN ZONES

Washington, Dec. 8.—The decision to prepare a new currency for Western Germany was made on joint Anglo-American initiative, authoritative quarters in Washington disclosed today.

They confirm that in the event of a breakdown of the present Foreign Ministers' meeting in London, this currency would be used in the British as well as in the American Zone.

It was presumed that if France joined in a zone merger agreement, the new currency would also circulate in the Zone.

American press reports indicated that the main purpose of the recent visit to Paris of Mr John Foster Dulles, the Republican adviser to the American Secretary of State, Gen. George Marshall, was to find out whether France, in the event of a change of Government, particularly a Government under General Charles de Gaulle, would agree to an economic merger of its Zone with those of Britain and the United States.

With Mr Dulles describing the results of his talks as "satisfactory", it was presumed that the prospects of such action was still good.—Reuter.

BA MAW TO BE TRIED

Rangoon, Dec. 8.—Dr Ba Ma Wai, head of the Burmese Government, and Thakin Ba Gein, a former Executive Councillor, both of whom were to have been called as defence witnesses for U. Saw, former Premier facing a special tribunal in the Burma State assassination trial, are themselves to be tried shortly for conspiracy to overthrow the Burmese Government.

They will be among over 100 persons to be brought to trial in connection with the shooting of Aung San, Burmese Premier, and six of his Ministers last July.

Nine men, including U. Saw, are already on trial. All the accused have been in custody since the assassination, and it was learned officially yesterday that the case against them will begin in January and include charges concerning violation of the Arms Act.

It is understood that three British Army officers and some others will face separate charges of allowing the theft of arms and munitions from army and police depots prior to the assassination.—Reuter.

Mr McNeil, who was replying to a question, said: "The allegations made by Dr Schuschnigg in his book "Austrian Requiem" have been closely and fully examined, and we have come to the conclusion that the account given is inaccurate."

"However, it undoubtedly refers to a series of leakages from the Embassy in Rome before the war, of which we had been aware."

"These leakages were the subject of an investigation in 1944, which revealed that an Italian servant had been able to remove documents from the Embassy in Rome for a considerable period."

"This servant was apprehended after the war and admitted what he had done. He stated that he had received considerable sums of money from the Italian authorities."

We also believe that Count Clano was in the habit of boasting that he had a source in the Foreign Office which provided him with the contents of secret files affecting Italy. It is thought, however, that this was a device by which Count Clano sought to cover up the actual source of his information, which we now know to have been the Rome Embassy.

"Count Clano gives a clear account of the leakages in his book." Mr Raymond Blackburn (Labour) asked Mr McNeil specifically to repudiate the "cowardly insinuation made by a Communist Member against that distinguished public servant, Lord Vansittart."

When the matter was raised last week, Mr William Gallacher (Communist) had asked for a full investigation "considering that Lord Vansittart, or someone nearly associated with him, is associated with these serious allegations." Lord Vansittart was formerly Permanent Under-Secretary for Foreign Affairs.

Mr McNeil replied that he was unable to proceed because he was an Italian national. This leakage had been stopped a long time ago.—Reuter.

FARLEY SUPPORTS TRUMAN

New York, Dec. 8.—The former Democratic National Chairman, Mr James A. Farley, returned to active politics today and announced that he would support President Truman for re-election.

He said his own 1948 activities are likely to be as a "free-lance worker" for the Party.—United Press.

LOUIS-WALCOTT RETURN FIGHT FIXED FOR JUNE

New York, Dec. 8.—The world heavyweight champion, Joe Louis, today agreed to meet challenger Jersey Joe Walcott in a return match in the Yankee Stadium next June shortly after the New York Boxing Commission refused to reverse last Friday's disputed decision.

Sol Strauss, Acting Director of the 20th Century Sporting Club, announced that Louis would receive 40 percent of the net gate, including radio, television and movie rights. Walcott, who has not been approached for a return fight, will be offered 20 percent of the net.

Strauss said these terms are identical with those of the second Louis-Billy Conn fight, which drew \$2,000,000 at the Yankee Stadium in June last year.

The announcement came four hours after the Commission denied Walcott's appeal to have the decision of Friday night's fight reversed.—United Press.

Indians Win

Warrick, Queensland, Dec. 8.—Replies to the Indians' total of 333, the Queensland side gave an indifferent batting display, losing eight wickets for 145 before a severe half-storm ended play to-day at 1515 hours.

Superb batting by Allen, the former Queensland Vice-Captain and Sheffield Shield century maker, alone prevented a rout.

Phadkar's inspiring opening attack forced the country side on the defence. At one stage his figures were four for four, and his swing was most impressive.

The spinners were handicapped by the wet ball.

The Indian's fielding was patchy, occasional brilliant fielding offset by slovenly ground work and wretched returns.

Though this was a minor fixture, this was a disappointing feature of the drawn match.—Reuter.

Radium Throw Into Furnace

London, Dec. 8.—The Ministry of Supply has been asked to help Lambeth Hospital to try to recover 50 milligrams of radium accidentally lost.

The radium was in a number of radium needles thrown into the hospital's furnace and burnt.

The coke clinker, removed from the furnace, was found to be radioactive, so the Ministry agreed to send a lorry to load the clinker to the Radio Chemical Centre at Amersham which deals with all radioactive substances. The Centre will measure the amount of radium in the clinker and decide if it is an economic proposition to extract it.

Some of the coke clinker, which is only very slightly radioactive, is to be dumped into the sea.—Reuter.

PROPOSAL BY MOSCOW REJECTED

Nanking, Dec. 8.—The Foreign Office announced today that China has rejected the Soviet proposal for a Four Power preliminary Japanese peace conference in China in January.

It said that China would insist that all 11 nations of the Far Eastern Commission take part in such talks. The Foreign Office said that the "Soviet government was again urged to accept the view of the Chinese Government."

The reply to Russia's November 27 note was dispatched by the Vice-Minister of Foreign Affairs, Mr George Yeh, on December 5.

The Foreign Office announced that the Chinese note pointed out that the Far Eastern Commission has explicitly been charged with the work of formulating policies concerning Japan's fulfillment of her obligations under the surrender terms.—United Press.

King Leopold's Position

Brussels, Dec. 8.—The Belgian Cabinet, after a two and a half hour-meeting in Brussels tonight, announced that the Government "had decided on its attitude regarding the new developments in connection with King Leopold, now in exile in Switzerland."

The Government's statement, which it is understood, has already been drafted, is reported to say that the King "did not forfeit his honour" in the war but makes reservations as to some of his actions, both before the war and during it.

In quarters close to the Government, it is understood, that any sharp differences in Belgium's Coalition Cabinet over the Royal question have so far been averted.

But it is thought in political quarters that an appealing statement concerning the King's past conduct ready for release some time this week could be delayed. This was due to the hardening of the Socialist position, consequent upon the King's statement yesterday, which was described as "untruthful".—Reuter.

Pretended To Be Army Deserter

Newcastle, Dec. 8.—John Wilson, 28, formerly of Gosforth, Newcastle-on-Tyne, was alleged today, at Newcastle, to have spent a week-end in the guard room at Fenham Barracks, Newcastle, after telling the sergeant in charge that he deserted from the Royal Scots Fusiliers.

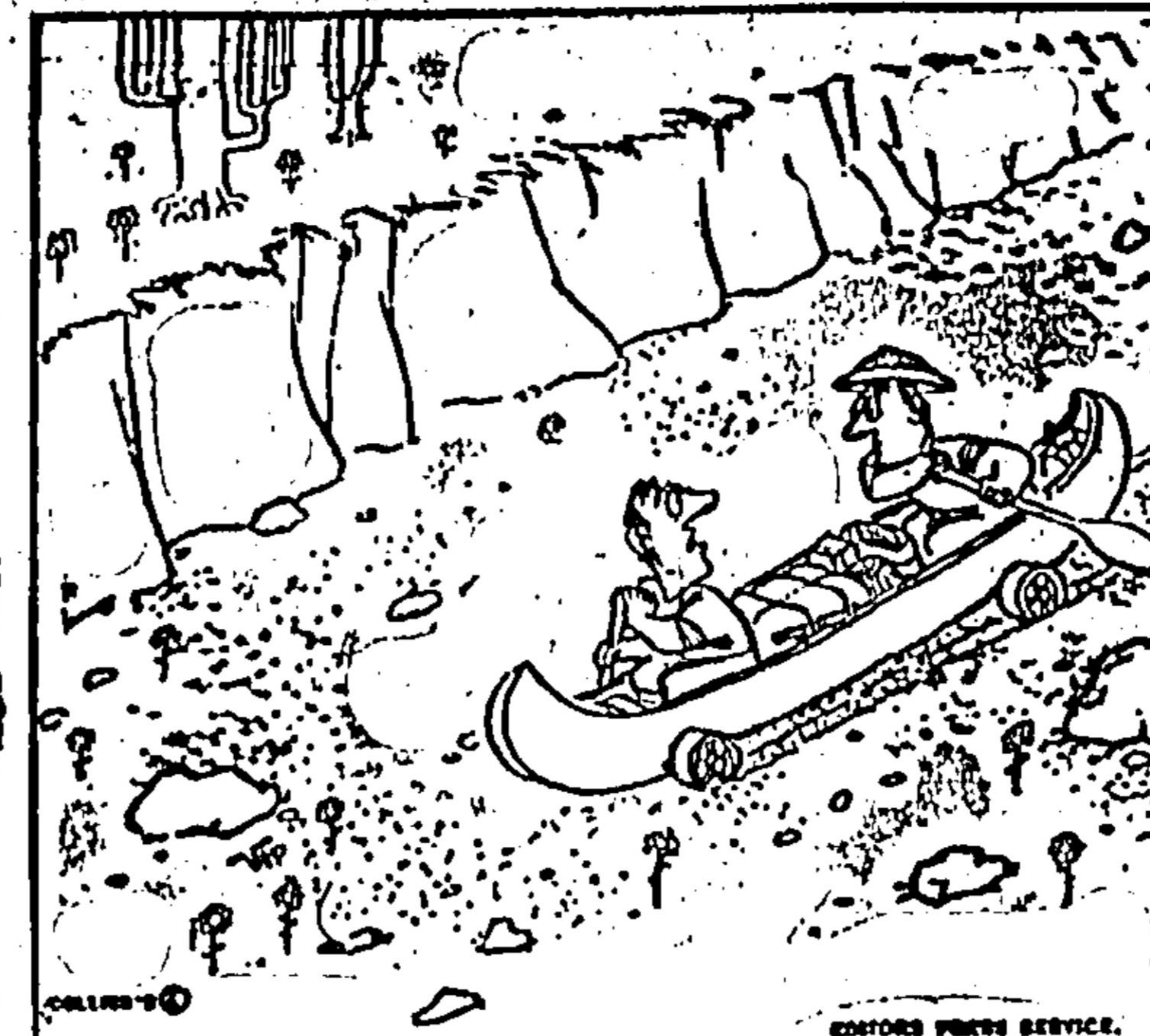
Wilson pleaded guilty to pretending to be a deserter and was remanded in custody.

He told magistrates that he was discharged from the Royal Scots Fusiliers in August 1945, after serving 10 years. He had tried to rejoin the Army but was not accepted.—Reuter.

CHECK YOUR KNOWLEDGE

Answers

1. Islands off the coast of Scotland.
2. The masses.
3. The thigh bone.
4. Electric current.
5. Daguerre.
6. Indian corn.



"This time of the year, the rapids aren't so bad."

Krupp Combine Called State Within A State

Nuremberg, Dec. 8.—War plunder and slavery were charged against the firm of Krupp when the trial of 12 former officials of the once mighty German munitions combine opened here today before an American war crimes court.

The United States chief prosecutor, Brigadier-General Tedford Taylor, and his staff charged the Krupps officials with having effected a coalition between the policies of the fabulous armaments "Empire" and the Nazi Party.

Krupps, which became practically a "state within a state" in 1943 under an official commendation from Hitler, the deputy prosecutor, Mr Joseph Kaufman, said: "There was no crime such a state could commit—whether it was war plunder or slavery—in which these men would not participate."

Although not on trial, the former chief of the combine, Gustav Krupp, was accused of rallying German industry behind the Nazi dictatorship early in 1933 and of levying money from it for Hitler. He was accused of moulding the Krupp policy to meet every development in the Nazi plans of aggression.

Wants U.S. Lawyers

At the conclusion of a four-hour opening statement, the counsel for Alfred Krupp von Bohlen und Halbach, former chief of the combine and principal defendant, asked the court for permission to retain a firm of United States attorneys on behalf of his client. The tribunal ruled that the request would be taken under advisement.

Alfred Krupp succeeded his father, Gustav, as head of the vast armaments concern. In the final days of the last war, when the elder Krupp's mind and health crumbled, he sat where, a year ago, Goering heard himself convicted of heading Germany's four-year rearmament plan which they were now accused of secretly setting in motion.

The charges were crimes against peace, plunder and spoilage, the deportation, exportation and abuse of slave labour, and common conspiracy to commit these crimes.

On what was generally recognized as the most important charge in the case—"the aggressive war" charge, Mr Kaufman, said that the Versailles Treaty had represented little more than a "worthless scrap of paper" in preventing Krups from aiding German rearmament.

Secret Developments

Mr Kaufman told the court that in spite of the cessation of arms production after the first World War, Krupp managed to manufacture 315 new cannons and repair 238 damaged pieces between the Armistice and July 1919.

The deputy prosecutor alleged that Krupp managed to circumvent the treaty limitations "despite the

DISCOVERY IN CAUCASUS

Moscow, Dec. 8.—Soviet archaeologists have uncovered a treasure cache buried by Caucasian tribesmen 2,600 years ago.

In it they found now evidence to support the theory that the mid-Caucasian mountains and valleys were one of the cradles of civilization.

The vases, bronze axes, open work, azurite dagger sheaths and drinking cups as well as small pieces of coloured metal work that were found in the hillside cache were in perfect proportion and expertly tooled, according to the experts.

This most wonderful discovery of our summer expedition was discovered in the gorge of the river Falgan Su," reported Prof. E. I. Krupnov, head of the expedition.

The archaeologists were directed to the treasure by a collective farmer who had been helping a road gang and, while waiting for a car to take him back to his farm, climbed a 300-foot hill over the river. He discovered a new cave and, entering it, stumbled across a flagstone. The treasure was beneath it.

The expedition also discovered the oldest, central Caucasian burial ground yet unearthed. It is believed to date back to some time in the second thousand years before Christ.—United Press.

CHECK YOUR KNOWLEDGE

Answers

1. Islands off the coast of Scotland.
2. The masses.
3. The thigh bone.
4. Electric current.
5. Daguerre.
6. Indian corn.

Big Four Ministers Break Deadlock

London, Dec. 8.—The Council of the Big Four Foreign Ministers today broke the deadlock on procedure by agreeing to discuss both the British and Soviet documents on economic principles for the future German State.

The Conference will take the British basic document (Supplementary Principles to the Potsdam Agreement) as its working paper. The Ministers will discuss, in connection with each British paragraph, the corresponding paragraph in the Soviet document submitted today, where there is an equivalent.

After the Ministers have worked through the British document with the equivalent Soviet draft, they will discuss any paragraphs in the Russian documents which do not have an equivalent in the British document.

The Conference then discussed the paragraph of the British document dealing with economic questions and reached agreement on it, subject to drafting changes.

This paragraph states that the controlling powers, during the second phase of the initial control period, will try to eliminate Germany's war potential, repay the damage done to the Allies during the war and, subject to security requirements, help Germany to restore her economy.

It also states that the Allies will try to assist Germany to achieve a balanced economy by which essential imports will be paid from exports to repay the occupying powers for the sums advanced on account of the occupation costs and "play her part in the restoration of a healthy economy in Europe as a whole."

Molotov's Statement

Before the start of the meeting, Mr Molotov, the Soviet Foreign Minister, circulated a statement declaring that the Soviet Union had not been responsible for last Saturday's deadlock and proposing that the Soviet basic document on economic principles, which he also circulated at the same time, should be discussed by the Conference jointly with the British document.

The Foreign Ministers called a short recess before to-day's meeting so that the Russian document could be examined.

Gen. George Marshall, U.S. Secretary of State, had asked M. Molotov to give the Conference a single comprehensive document by to-day on the Russian proposals for German economic unity after the Russian Foreign Minister had tabled three documents which the Western

Foreign Ministers said dealt with the problem only "in part."

The statement said that the Russian delegation refused to accept the British draft as a basis for discussion because it was "aimed at superseding the principles of the Potsdam Conference by new principles".

These principles "contradict the Potsdam decision and infringe the legitimate interests of States which suffered from German aggression and occupation."

Potsdam Fulfilment

The Russian statement said that contrary to the British proposal, the Soviet Union considered it necessary to "insist" on the fulfilment of the Potsdam Agreement and on "elimination of the existing violations of the Agreement".

It added: "In fact, a new centre for the Western Zones of Germany has already been created at Frankfurt on Main, where the Anglo-American authorities are acting separately and independently of the Control Council in Berlin."

"Such a state of affairs is reflected in the most harmful way on the economic rehabilitation of Germany."

M. Molotov complained that more than a year after the fusion of the

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